

Assembly Bill No. 1598

Passed the Assembly June 2, 2003

Chief Clerk of the Assembly

Passed the Senate September 8, 2003

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2003, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Section 3 of Chapter 899 of the Statutes of 1995, and to amend Section 2 of Chapter 895 of the Statutes of 2001, relating to seismic activity, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1598, Corbett. Seismic safety: insurance: retrofitting.

Existing law requires the Department of Insurance to establish a program for residential grants and loans to help pay for the retrofitting of high-risk residential dwellings owned or occupied by low- and moderate-income households, in order to minimize the risk of earthquake damage to those dwellings and thereby reduce the costs of residential earthquake insurance. Existing law appropriates a specified amount from the California Residential Earthquake Recovery Fund to the department for the purposes of this program. Existing law limits the department to using no more than \$265,000 per fiscal year to administer the program. The funds are available until December 1, 2004. Existing law appropriates the entire amount of funds not previously appropriated from that fund, not to exceed \$1,500,000, to the department for purposes of the program.

This bill would limit the department to using no more than \$265,000 for the 1998–99 through 2002–03 fiscal years, and to using no more than \$290,000 per fiscal year thereafter to administer the program. This bill would make the funds available until July 1, 2007. The bill would also appropriate \$2,900,000 to the department from the California Residential Earthquake Recovery Fund for the program.

The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 3 of Chapter 899 of the Statutes of 1995 is amended to read:



Sec. 3. The sum of four million four hundred thousand dollars (\$4,400,000) is appropriated from the California Residential Earthquake Recovery Fund to the Department of Insurance for the program established pursuant to this act. During the second half of the 1995–96 fiscal year, the Department of Insurance may use up to one hundred fifty-nine thousand dollars (\$159,000) for costs of initial implementation and administration of the program. During the 1996–97 and 1997–98 fiscal years, no more than two hundred thousand dollars (\$200,000) per fiscal year may be used by the department to administer this program. During the 1998–99 through 2002–03 fiscal years, no more than two hundred sixty-five thousand dollars (\$265,000) per fiscal year may be used by the department to administer this program. Thereafter, no more than two hundred ninety thousand dollars (\$290,000)” per fiscal year may be used by the department to administer the program.

Money appropriated by this section shall be available for expenditure until July 1, 2007. On and after that date, the program established by Chapter 899 of the Statutes of 1995 shall no longer be operative.

SEC. 2. Section 2 of Chapter 895 of the Statutes of 2001 is amended to read:

Sec. 2. The sum of two million nine hundred thousand dollars (\$2,900,000) and all interest earnings, calculated daily, is appropriated from the California Residential Earthquake Recovery Fund to the Department of Insurance for the program established pursuant to Chapter 899 of the Statutes of 1995.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate the issuance of grants and loans to provide an enhanced level of residential earthquake protection to homeowners living in high-risk areas, it is necessary that for this act to take effect immediately as an urgency statute.



Approved _____, 2003

Governor

